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F FOR AMBASSADOR TOBIAS; NEA FRONT OFFICE, AND NEA/IPA; NSC FOR ABRAMS/DORAN/WATERS; USAID FOR KUNDER/MCCLOUD/BORODIN

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SUBJECT: NEED TO PRESS CONGRESS FOR USD 75 MILLION IN FY07

FOR WEST BANK/GAZA ESF

This is a joint message from Consul General Walles, Ambassador Jones, and Acting USAID Mission Director Harden.

- (SBU) We urge the Administration to approach Congress as soon as possible to request full funding of the Administration's FY 2007 request of USD 75 million for West Bank/Gaza ESF. Even though we have ceased our support to the PA government, the U.S. government has continued to support the Palestinian people and their aspirations for a two-state solution. To advance these goals, the Secretary approved a new strategy in July focused on humanitarian assistance to the Palestinian people, specifically in the areas of health, education, and food relief, and support for the rule of law, democratic reform, and private sector development. A drastic decrease in FY 2007 funding to the level of USD 25 million or even no funding, as proposed in the Senate and House, respectively, would send a clear signal to the Palestinian people that the USG is no longer supporting their humanitarian needs and would also mean that the assistance strategy approved by the Secretary cannot be fully implemented. We know such a message to the Palestinian people is not our intent and, therefore, urge you to reach out to Congress and stress the importance of meeting the Administration's full request of USD 75 million. At this level, the USG will be able to honor its commitment to meet basic human needs, support civil society, and build a more robust private sector.
- 12. (SBU) A USD 50-75 million cut in assistance in FY 2007 will mean drastic cuts to the provision of U.S. humanitarian assistance at a time when the Palestinian people depend on it most. Such a substantial cut in assistance will also send a message to other donors that the USG is disengaging, when the USG should be at the vanguard of efforts to maintain the international coalition in support of the Palestinian people even as we hold the PA government responsible for meeting the Quartet's three conditions. Should there be a political change on the ground, a reduction in funding or no FY 2007 funding will greatly impede the U.S. government's ability to respond quickly and restart those projects currently suspended or to undertake new initiatives in support of new political realities. Importantly, the U.S. government will have no additional funding to implement the Agreement on Movement and Access and pursue other USG objectives.
- 13. (SBU) Therefore, we urge the Department, the NSC, and USAID to impress upon Congress the need to fully fund the Administration's request of USD 75 million for West Bank/Gaza ESF so that the USG can respond to the current humanitarian needs of the Palestinian people and any future developments. WALLES